

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

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Refer Reply To:

CC:ITA:4 – COR-125744-01

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Dear Mr. [REDACTED]:

In your recent letter, you asked for assistance with regard to your federal income tax for the tax year 2000. You say that you owe additional tax for that tax year because you had to cash your IRA and savings bonds to pay the medical expenses of your mother, who resided in the Republic of the Philippines. A representative of the Internal Revenue Service told you that you may not claim your mother as a dependent and, accordingly, that you may not claim a deduction for any of the medical expenses of your mother that you paid.

Section 213 of the Internal Revenue Code allows a taxpayer to deduct the uncompensated medical expenses of a "dependent" paid by the taxpayer during the tax year, to the extent that these expenses exceed 7.5 percent of the taxpayer's adjusted gross income. Section 213 refers to §152 for the definition of "dependent."

Section 152(a) defines the term "dependent." In general, the term "dependent" includes a parent if the taxpayer provided over half of the parent's support for the calendar year. Section 152(b)(3) provides, however, that the term "dependent" does not include any individual who is not a citizen, national, or resident of the United States, or a resident of a country contiguous to the United States.

Therefore, a taxpayer may not claim as a dependent a parent who is a resident of the Republic of the Philippines and who is not a citizen of the United States, nor may the taxpayer claim a medical deduction for a parent who is a resident of the Republic of the Philippines and who is not a citizen of the United States.

As §152(b)(3) is statutory, the Internal Revenue Service does not have discretion to expand its limits. You may be able, however, to pay your tax in installments. For your convenience, enclosed is Form 9465, Installment Agreement Request. The instructions to this form set forth the requirements for an installment agreement and will help you determine if an installment agreement would be beneficial to you.

COR-125744-01

I hope that this general information is helpful to you. If you have any questions concerning the substance of this letter, please call Victoria Driscoll at (202) 622-4920. If you have any questions concerning Form 9465, please call 1-800-829-1040.

Sincerely,

Associate Chief Counsel
(Income Tax & Accounting)

By: _____
Robert A. Berkovsky
Chief, Branch 4

Enclosure